

# H

## Enterprise and Other Funds

# Water and Sewer Authority

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$244,978,000	\$253,743,000	3.6

The District of Columbia Water and Sewer Authority's (WASA) mission is to operate and maintain reliable and cost-effective water distribution and wastewater collection and treatment systems while providing consistently superior customer service.

Additionally, the authority will meet or surpass all applicable regulatory mandates while protecting the public's health and promoting excellent environmental stewardship. This budget supports no District full-time equivalent (FTE) positions.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Provide superior, equitable and responsive customer service to the diverse communities of its customer base.
- Operate safe and efficient water distribution and wastewater collection and treatment facilities in compliance with all applicable laws and regulations.
- Develop and implement a state-of-the-art

biosolids management program that is cost-effective, meets long-term needs, and responds to applicable regulatory requirements.

- Maintain a sound financial position that supports legislative mandates while maintaining cost-effective retail rates for its ratepayers.
- Provide excellent environmental stewardship based on good science and prudent financial management.
- Operate facilities in a manner that protects the health, security, and safety of employees and the surrounding residential communities.
- Foster an organizational culture that ensures a well-trained, highly skilled work force, encourages hard work, professionalism, creativity, productive communications, and promotes the highest ethical standards and conduct for all employees and managers.
- Communicate with employees, customers, stakeholders, and government agencies to establish and maintain productive, two-way communications.
- Combine the best practices of corporate boards and public bodies, and earn a reputation as one of the most effective and prestigious governing bodies in the metropolitan area.

## Did you know...

Number of consecutive months WASA drinking water has surpassed EPA standards (as of March 2002)	67
Gallons of water sold to District businesses, residents and government agencies in FY 2001	32.0 billion
Miles of water mains flushed per year	412
Tons of biosolids beneficially reused in FY 2001	509,327

## Where the Money Comes From

Table LA0-1 shows the various source(s) of funding for the Water and Sewer Authority.

Table LA0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	189,676	205,803	244,978	253,743	8,765
Intra-District	2,803	0	0	0	0
<b>Gross Funds</b>	<b>192,478</b>	<b>205,803</b>	<b>244,978</b>	<b>253,743</b>	<b>8,765</b>

## How the Money is Allocated

Table LA0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table LA0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	50,475	36,181	55,004	57,610	2,606
Regular Pay - Other	141	1	0	0	0
Additional Gross Pay	3,312	15,061	5,876	5,954	78
Fringe Benefits - Curr Personnel	9,474	10,827	10,670	11,165	495
<i>Personal Services</i>	<i>63,402</i>	<i>62,069</i>	<i>71,550</i>	<i>74,729</i>	<i>3,179</i>
Supplies and Materials	11,377	11,349	14,867	18,527	3,660
Energy, Comm. and Bldg Rentals	20,376	15,865	17,964	18,865	901
Telephone, Telegraph, Telegram, Etc	0	908	0	0	0
Rentals - Land and Structures	0	2,636	0	0	0
Other Services and Charges	52,330	29,367	61,561	62,240	679
Contractual Services - Other	0	38,301	0	0	0
Subsidies and Transfers	25,543	17,085	33,859	34,357	498
Land and Buildings	0	2,305	0	0	0
Equipment & Equipment Rental	833	886	933	1,225	292
Debt Service	18,616	25,032	44,244	43,800	-444
<i>Nonpersonal Services</i>	<i>129,076</i>	<i>143,733</i>	<i>173,428</i>	<i>179,014</i>	<i>5,586</i>
<b>Total Proposed Operating Budget</b>	<b>192,478</b>	<b>205,803</b>	<b>244,978</b>	<b>253,743</b>	<b>8,765</b>

## Other Funds

The proposed Other revenue expenditure budget is \$253,743,000, which is a net increase of \$8,765,000, or 3.6 percent, over the FY 2002 approved budget of \$244,978,000.

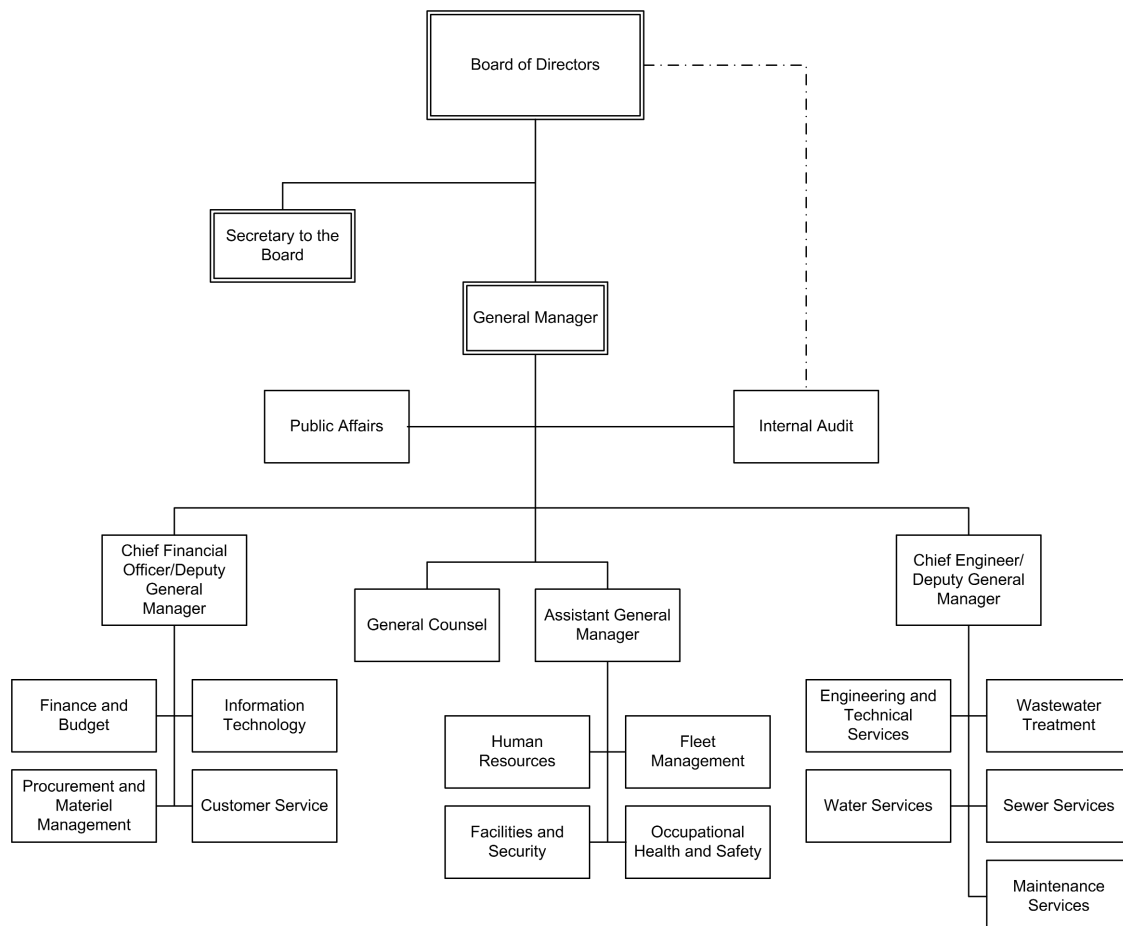
This increase is due primarily to the following:

- Increased industry-wide biosolids hauling costs, resulting in higher contractual services at Blue Plains.

- Increased paving and restoration requirements, in line with new regulatory standards.
- Increased chemical costs at Blue Plains, including the conversion from chlorine to sodium hypochlorite, which was accelerated in response to the events of September 11.
- Increased personnel services costs, which are in line with the Authority's recently negotiated collective bargaining agreements, partially offset by position reductions.

Figure LA0-1

### Water and Sewer Authority



## Programs

### Retail Water Service

The authority provides retail water service to more than 500,000 residents and businesses in the District of Columbia, including operation and maintenance of the distribution system and direct customer service functions, such as billing and collections. The authority purchases treated water from the Washington Aqueduct, and is responsible for approximately 76 percent of the Aqueduct's costs. A separate budget chapter is included in this document for the Washington Aqueduct.

### Retail Wastewater Treatment and Conveyance Services

The authority provides retail wastewater treatment and conveyance services to residents and businesses of the District, including operation of the Blue Plains Advanced Wastewater Treatment Plant and operation and maintenance of the combined and separate sanitary sewer conveyance systems.

### Wholesale Wastewater Treatment and Conveyance services

The authority also provides wholesale treatment services at Blue Plains to certain portions of Prince George's and Montgomery Counties, Maryland and Fairfax and Loudoun Counties, Virginia, and operates certain key conveyance lines for these jurisdictions. Provision of wholesale wastewater treatment service is governed by a separate contract (the Inter-Municipal Agreement), and each jurisdiction pays its pro rata share of operating and capital costs at Blue Plains.

In addition, in FY 2001, the Authority began its responsibilities as administrator of the District's storm water permit compliance program. As laid out in legislation adopted by the District of Columbia Council in 2001 and a separate memorandum of understanding with various agencies of the District, the Authority is responsible for coordinating and administering the storm water control efforts of the District's departments of Public Works and Health. A separate enterprise fund has been established for

storm water activities, and is included as a separate budget chapter in this document.

## Agency Goals and Performance Measures

### Goal 1: Provide the highest quality service to our customers.

*Citywide Strategic Priority Areas:* Promoting Economic Development; Making Government Work

*Manager:* Paul Bender, Chief Financial Officer

*Supervisor:* Jerry Johnson, General Manager

#### Measure 1.1: Percentage of meter-reading accuracy

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	99.9	99.9	99.9	99.9	99.9
Actual	99.9	99.7	-	-	-

#### Measure 1.2: Percentage of all calls answered within two minutes

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	97	97	97	97	97
Actual	87	84	-	-	-

#### Measure 1.3: Number of days to resolve correspondence

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	30	30	30	30	30
Actual	45	60	-	-	-

### Goal 2: Provide reliable, high-quality drinking water to customers.

*Citywide Strategic Priority Areas:* Strengthening Children, Youth, Families and Individuals; Building and Sustaining Healthy Neighborhoods

*Manager:* Michael Marcotte, Chief Engineer

*Supervisor:* Jerry Johnson, General Manager

#### Measure 2.1: Percentage of time that drinking water complies with EPA quality requirements

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	100	100	100	100	100
Actual	100	100	-	-	-

**Measure 2.2: Number of distribution system miles that are flushed**

	2000	2001	Fiscal Year 2002	2003	2004
Target	600	600	600	600	600
Actual	600	412	-	-	-

**Measure 2.3: Percentage of water main breaks that receive an initial response within 45 minutes**

	2000	2001	Fiscal Year 2002	2003	2004
Target	100	100	100	100	100
Actual	99.5	99.5	-	-	-

**Measure 2.4: Percentage of water main breaks that are repaired within 10 days**

	2000	2001	Fiscal Year 2002	2003	2004
Target	100	100	100	100	100
Actual	99.5	98	-	-	-

**Goal 3: Provide high-quality wastewater treatment services to customers.**

*Citywide Strategic Priority Areas:* Strengthening Children, Youth, Families and Individuals; Building and Sustaining Healthy Neighborhoods

*Manager:* Michael Marcotte, Chief Engineer

*Supervisor:* Jerry Johnson, General Manager

**Measure 3.1: Percentage of time that the agency fully complies with the requirements of the EPA permit addressing the operation and maintenance of wastewater systems**

	2000	2001	Fiscal Year 2002	2003	2004
Target	100	100	100	100	100
Actual	100	100	-	-	-

**Goal 4: Ensure that WASA's financial performance meets the expectations of the Board of Directors, customers, and the broader-financial community.**

*Citywide Strategic Priority Areas:* Promoting Economic Development; Making Government Work

*Manager:* Paul Bender, Chief Financial Officer

*Supervisor:* Jerry Johnson, General Manager

**Measure 4.1: Percentage of senior debt service coverage**

	2000	2001	Fiscal Year 2002	2003	2004
Target	140	140	140	140	140
Actual	411	238	-	-	-

**Measure 4.2: Amount of operating cash reserves maintained for 180 days worth of operating and maintenance (O&M) expenses (\$ in millions)**

	2000	2001	Fiscal Year 2002	2003	2004
Target	90	90	91.2	92.7	93.8
Actual	156.6	103.9	-	-	-

Note: At request of agency (1/10/02), FY 02 & 03 targets raised from \$90 M to \$91.2 M & \$92.7 M, respectively.



# Washington Aqueduct

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$46,510,000	\$57,847,000	24.4

The mission of the Washington Aqueduct is to collect, purify, and pump an adequate supply of potable water for the District of Columbia, Arlington County, and the city of Falls Church, Virginia.

There are no District full-time equivalent (FTEs) positions supported by this budget.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Provide potable water at an equitable, economical rate that covers all costs.
- Protect drinking water and consumers from microbial risk and from harmful chemicals in the drinking water.
- Provide an adequate supply of potable water.

## Did you know...

Estimated cost of service per million gallons in FY 2001*	\$486.16
Number of lab analyses in FY 2001	29,000
Maximum daily pumpage (millions of gallons) in FY 2001	169.6

\*Net of early debt retirement and pay-as-you-go capital financing.



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## Where the Money Comes From

Table LB0-1 shows the source(s) of funding for Washington Aqueduct.

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Table LB0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	*Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	0	0	46,510	57,847	11,337
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>46,510</b>	<b>57,847</b>	<b>11,337</b>

\* Note: The budgeted revenues and expenditures are shown for the purpose of reporting. However, as a proprietary fund, under the current financial accounting structure the agency's actual revenues and expenditures are not tracked in the District's System of Accounting and Reporting (SOAR). This applies to Tables 1 and 2.

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## How the Money is Allocated

Table LB0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table LB0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Subsidies and Transfers	0	0	46,510	57,847	11,337
<i>Nonpersonal Services</i>	0	0	46,510	57,847	11,337
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>46,510</b>	<b>57,847</b>	<b>11,337</b>

## Other Funds

The proposed Other revenue expenditure budget is \$57,847,000, an increase of \$11,337,000, or 24.4 percent, over the FY 2002 approved budget of \$46,510,000. There are no District full-time equivalent positions supported by this budget. The significant changes over the FY 2002 approved budget are:

- An increase of \$2,750,000 in pay-as-you-go capital funding for planned renovation of existing plant facilities.
- An increase of \$7,171,603 in additional debt service payments based on the Water and Sewer Authority's (WASA's) commitment to prepay Treasury Loan borrowings made in FY 2002.
- An increase of \$1,415,397 for ongoing operations and maintenance costs.

## Programs

### Water Supply

The Washington Aqueduct owns and operates intake facilities on the Potomac River in Great Falls and Little Falls, Maryland. The Aqueduct also owns and operates two 12-mile long gravity conduit systems with a combined 200 million gallon per day (mgd) capacity, a 450 mgd raw water pumping station, a 480 mgd finished water pumping station, two major treatment plants with 400 mgd capacity each, three booster pumping stations, seven finished storage reservoirs, and many large diameter transmission mains.

WASA funds the District's portion of the costs of the Washington Aqueduct. WASA purchases potable water using its supplies budget, making monthly payments to the Washington Aqueduct based on the number of gallons delivered. The

Aqueduct charges a rate based on water sales agreements with the District of Columbia and Northern Virginia.

The Washington Aqueduct is managed by the U.S. Army Corps of Engineers and governed by a board made up of representatives of the Aqueduct's three wholesale customers, the District (through WASA), Arlington County and the city of Falls Church, Virginia. The board is the sole authority for budget approval for this agency.

## Agency Goals and Performance Measures

### Goal 1: Provide an adequate supply of potable water.

*Citywide Strategic Priority Areas:* Building and Sustaining Healthy Neighborhoods; Making Government Work

*Manager:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

*Supervisor:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

#### Measure 1.1: Amount of water pumped annually (billions of gallons)

	2000	2001	Fiscal Year 2002	2003	2004
Target	65.2	66.2	64.4	64.9	63.9
Actual	63.5	64.2	-	-	-

#### Measure 1.2: Average amount of water pumped per day to the District of Columbia (millions of gallons)

	2000	2001	Fiscal Year 2002	2003	2004
Target	135	136	135	136	134
Actual	133	134	-	-	-

#### Measure 1.3: Average amount of water pumped per day to Arlington, Virginia (millions of gallons)

	2000	2001	Fiscal Year 2002	2003	2004
Target	27	27	26	26	26
Actual	26	26	-	-	-

#### Measure 1.4: Average amount of water pumped per day to Falls Church, Virginia (millions of gallons)

	2000	2001	Fiscal Year 2002	2003	2004
Target	16	15	16	16	15
Actual	15	16	-	-	-

### Goal 2: Provide potable water at an equitable, economical rate that covers all costs.

*Citywide Strategic Priority Areas:* Building and Sustaining Healthy Neighborhoods; Making Government Work

*Manager:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

*Supervisor:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

#### Measure 2.1: Cost per million gallons of pumped water for the District of Columbia (dollars)

	2000	2001	Fiscal Year 2002	2003	2004
Target	549	588	573	591	720
Actual	486	551	-	-	-

Note: Actual figures from FY 1999 and FY 2000 do not reflect D.C. Treasury Loan prepayment; FY 2000 actual figure is an estimate. FY 2004 includes debt service cost, which is not included in recent previous years for repayments.

#### Measure 2.2: Amount of revenue collected from the District of Columbia (millions of dollars)

	2000	2001	Fiscal Year 2002	2003	2004
Target	33.1	33.2	34	33.6	35.1
Actual	24.9	25.3	-	-	-

Note: FY 1999 and FY 2000 do not reflect D.C. Treasury Loan prepayment.

#### Measure 2.3: Amount of revenue collected from Arlington, Virginia (millions of dollars)

	2000	2001	Fiscal Year 2002	2003	2004
Target	6.4	7	7.5	7.3	8.6
Actual	5.1	5.8	-	-	-

#### Measure 2.4: Amount of revenue collected from Falls Church, Virginia (thousands of dollars)

	2000	2001	Fiscal Year 2002	2003	2004
Target	4.1	4.4	5.0	4.9	4.9
Actual	3.6	3.4	-	-	-

### Goal 3: Protect the drinking water consumer from both microbial risk and adverse health effects for chemicals in the drinking water, as well as provide laboratory support to WASA.

*Citywide Strategic Priority Areas:* Building and Sustaining Healthy Neighborhoods; Making Government Work

*Manager:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

*Supervisor:* Thomas P. Jacobus, Chief, Washington Aqueduct, U.S. Army Corps of Engineers

**Measure 3.1: Number of microbiological samples collected and analyzed within the D.C. water distribution system**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	2920	3200	3200	3200	3200
Actual	3063	2889	-	-	-

**Measure 3.2: Number of chemical substances investigated for presence in the water supply system wide**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	170	178	178	181	181
Actual	168	180	-	-	-

**Measure 3.3: Number of lead and copper tests performed for the District of Columbia at the request of WASA**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	250	55	250	250	250
Actual	140	250	-	-	-

Note: The Lead and Copper Rule permitted reduced monitoring for three years (2000 - 2002) if the sample at the 90th percentile was less than or equal to the action level of 15 ppb for lead. WASA exceeded this limit during FY 2001. All samples are considered in compliance but WASA will no longer be eligible for reduced monitoring for Lead and Copper. FY 2002 and FY 2003 were originally estimated based on the assumption that WASA would remain in compliance with the lead action levels. It is now expected that the number of samples required for FY 2002 and FY 2003 will be significantly higher.

**Measure 3.4: Number of THM/HAA samples collected and analyzed for the District of Columbia at the request of WASA**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	160	160	160	328	160
Actual	160	160	-	-	-

**Measure 3.5: Number of inorganic samples analyzed for the District of Columbia at the request of WASA**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	225	350	350	350	350
Actual	240	365	-	-	-

**Measure 3.6: Percentage of samples in compliance with regulatory limits system wide**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	100	100	100	100	100
Actual	100	100	-	-	-

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# Storm Water

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Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$3,100,000	\$3,100,000	0

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The mission of the Storm Water agency is to ensure compliance with the Environmental Protection Agency (EPA) requirements under the District of Columbia's storm water permit.

Storm Water is responsible for ensuring compliance with EPA requirements under the District's storm water permit issued in April 2000. This budget supports no District full-time equivalent positions (FTEs).

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Continue development of key permit deliverables required by the EPA, including development of storm water management plans

for commercial, residential, government and industrial facilities.

- Begin the District's permit renewal efforts (current permit expires in April 2003), including evaluation of potential new requirements and associated funding requirements.
- Continue working on a permanent storm water fee structure that is equitable, fair, and meets the operational requirements for the program.

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## Where the Money Comes From

Table SW0-1 shows the source(s) of funding for Storm Water.

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Table SW0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Local	0	0	0	0	0
Other	0	0	3,100	3,100	0
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>3,100</b>	<b>3,100</b>	<b>0</b>

\* Note: This agency was established in FY 2002. As a result, there are no expenditures or revenues in prior years.

## How the Money is Allocated

Table SW0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table SW0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Contractual Services - Other	0	0	0	0	0
Subsidies And Transfers	0	0	3,100	3,100	0
<i>Nonpersonal Services</i>	<i>0</i>	<i>0</i>	<i>3,100</i>	<i>3,100</i>	<i>0</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>3,100</b>	<b>3,100</b>	<b>0</b>

\* Note: This agency was established in FY 2002. As a result, there are no expenditures or revenues in prior years.

## Other Funds

The proposed Other budget is \$3,100,000, the same level as the FY 2002 approved budget. This funding level provides the necessary resources to cover activities required of the District of Columbia to comply with a storm water runoff permit issued by the Environmental Protection Agency in April 2000. Funding for these costs is provided by a separate District storm water fee approved by the District Council of the District of Columbia that appears as a separate line item on District residents' water and sewer bills.

Any funds required to comply with the permit that are not covered by the fee would be paid directly by the departments of Health and Public

Works, and/or deducted from WASA's annual payment in lieu of taxes to the District, in accordance with the memorandum of understanding executed by these parties.

Any fund balances remaining in the Storm Water Permit Compliance Enterprise Fund will be used for storm water compliance activities as determined by WASA, the storm water administrator, in conjunction with the departments of Health and Public Works. In accordance with the legislation, any monies in the fund cannot be commingled with the District's General Fund, the Water and Sewer Authority Enterprise Fund, or any other funds or accounts of the District of Columbia.

## Programs

### Compliance

Approximately two-thirds of the District's total sanitary sewer conveyance system and storm water runoff system are in two separate entities. One conveys sanitary sewage flows to WASA's Blue Plains Advanced Wastewater Treatment Plant, and the second moves storm water to approximately 600 outfalls on the Anacostia and Potomac rivers and other waterways. The remaining third is conveyed to Blue Plains for treatment, except during periods of heavy rainfall, when discharges through 60 combined sewer overflow points occur. The permit addresses discharges from the separate storm sewer system.

Activities required under the permit include, among others:

- Development of various storm water management plans for different types of properties.
- Implementation of a public education program.
- Coordination of catch basin cleaning, street sweeping, and other solids waste services.
- Implementation of a storm water discharge monitoring system.

These activities are coordinated by WASA in its role as administrator, but each activity is implemented by the appropriate agency.



# D.C. Lottery and Charitable Games Board

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$229,688,416	\$232,880,557	1.4

The mission of the D.C. Lottery and Charitable Games Board (DCLB) is to regulate charitable games and generate revenue for the District government's General Fund through the sale of lottery opportunities to District residents and visitors to the District.

The mission also includes maximizing lottery sales and profits, and protecting the public against fraud and deception through effective management and regulation of lottery and charitable gaming activities.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Expand the marketplace by adding new agents, launching on-line games and enhancing the existing game portfolio.
- Provide gaming and other lottery information through the circulation of *Lotto People* at agent locations and the dynamic corporate website.

- Implement a comprehensive disaster/business recovery plan, and install an updated fire alarm system.
- Implement an imaging system and convert to automated systems.
- Meet with Advisory Neighborhood Commissioners and other grassroots organizations, and conduct charitable gaming workshops for nonprofit organizations.

## Did you know...

Commissions paid to agents in FY 2001	\$11,600,000
Lottery prizes paid in FY 2001	\$113,000,000
Agent newsletters in FY 2001	4
Revenue deposited in the General Fund in FY 2001*	\$84,000,000

\* The FY 2001 transfer had been projected at \$69 million, but exceeded that by \$15 million because of lower prize payouts and increased sales for the \$295 million PowerBall jackpot.



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## Where the Money Comes From

Table DC0-1 shows the source(s) of funding for D.C. Lottery and Charitable Games Board.

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Table DC0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	217,418	227,089	229,688	232,881	3,192
<b>Gross Funds</b>	<b>217,418</b>	<b>227,089</b>	<b>229,688</b>	<b>232,881</b>	<b>3,192</b>

## How the Money is Allocated

Tables DC0-2 and 3 show the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level) and FTEs by fund type.

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Table DC0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	4,090	4,577	5,194	5,459	265
Regular Pay - Other	98	99	106	0	-106
Additional Gross Pay	266	200	183	183	0
Fringe Benefits - Curr Personnel	669	755	800	890	91
<i>Personal Services</i>	<i>5,123</i>	<i>5,631</i>	<i>6,284</i>	<i>6,533</i>	<i>249</i>
Supplies and Materials	55	70	116	198	82
Energy, Comm. and Bldg Rentals	24	10	32	32	0
Telephone, Telegraph, Telegram, Etc	1,133	1,509	1,285	1,314	29
Rentals - Land and Structures	1,311	1,230	1,482	1,519	37
Janitorial Services	0	0	5	0	-5
Other Services and Charges	12,382	12,799	15,649	16,591	942
Contractual Services - Other	3,086	3,239	5,122	4,611	-511
Subsidies and Transfers	193,984	201,232	198,950	201,301	2,351
Equipment & Equipment Rental	322	1,369	763	782	18
<i>Nonpersonal Services</i>	<i>212,295</i>	<i>221,458</i>	<i>223,405</i>	<i>226,348</i>	<i>2,943</i>
<b>Total Proposed Operating Budget</b>	<b>217,418</b>	<b>227,089</b>	<b>229,688</b>	<b>232,881</b>	<b>3,192</b>

Table DC0-3

**FY 2003 Full-Time Equivalent Employment Levels**

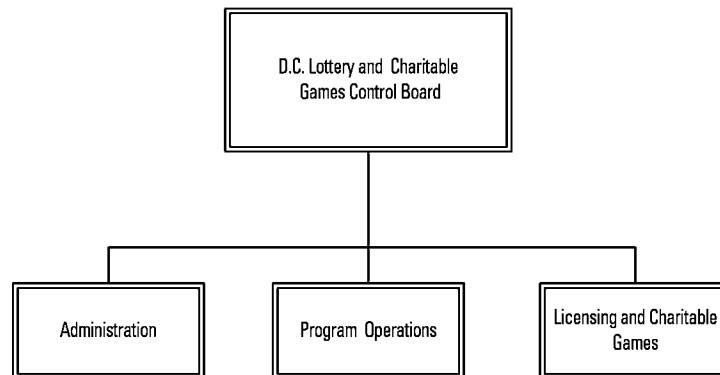
	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Other	87.5	79.5	100	100	0.00
<b>Total FTEs</b>	<b>87.5</b>	<b>79.5</b>	<b>100</b>	<b>100</b>	<b>0.00</b>

**Other Funds**

The proposed Other budget is \$232,880,557, an increase of \$3,192,141, or 1.4 percent, over the FY 2002 approved budget of \$229,688,416. There are 100 FTEs funded by Other sources, which is unchanged from FY 2002. Significant changes over the FY 2002 approved budget are as follows:

- An increase of \$248,899 to properly align current positions based on the approved District pay increase.
- An increase of \$2,943,242 due primarily to an increase of \$2,425,000 in subsidies and transfers and other services and charges based on commission adjustments from 4 percent to 5 percent.

Figure DC0-1

**D.C. Lottery and Charitable Games Control Board****Programs**

The DCLB operates the following programs:

**Administration**

The Administration division provides the management, staff and operating structure of all business, financial, regulatory, and gaming activities of all agency operations. This coordination is performed through various responsibility centers consisting of: the Office of the Executive Director; Human Resources; Legal Operations; Security; Procurement; Communications;

Administration; Draw Operations; Marketing; Trade Development; Management Information Systems; and Financial Services.

Key initiatives associated with the Administration program are to:

- Identify market segments that will guide game development, marketing strategies, and communications messages.
- Improve customer service by enhancing communication between the DCLB and the general public, its players and its agents.
- Protect the revenue stream through product

penetration testing, the development of firewalls, and diligent security.

## Program Operations

Program Operations reflects the development, design, distribution, and accounting for instant (scratch off), and on-line (draw) operations, ticket sales and prize payouts. There are numerous instant games, and new games are constantly developed and deployed. On-line operations consist of draw type games including: Lucky Numbers, D.C. Four, Quick Cash, Hot Five, PowerBall, and the development and deployment of the DCLB's Alpha Game, a new rapid draw game.

## Licensing and Charitable Games

This division protects the integrity of charitable gaming within the District by licensing major charities to conduct bingo, raffles, and Monte Carlo nights to raise funds. These initiatives are accomplished with staff from the DCLB's Licensing division.

## Agency Goals and Performance Measures

### Goal 1: Provide a dependable, uninterrupted source of revenues to the District's General Fund.

*Citywide Strategic Priority Area:* Making Government Work

*Managers:* Kevin Johnson, Vivien Cunningham, William Parson, Robert Hainey, James Jones, Ida Crosson, Claudia Booker, Carol Jackson Jones, Doris Brown, William Robinson, Melody Booker, Barry Robinson

*Supervisor:* Jeanette A. Michael, Deputy Director for Operations

#### Measure 1.1: Amount of money transferred to the District's General Fund (millions of dollars)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	69	69	70	72.9	73.8
Actual	69.5	86.8	-	-	-

Note: The FY 2001 estimated transfer amount, as submitted by the DCLB during the FY 2001 budget process, was \$70 million. As part of their review of the FY 2001 revenue estimates, the Office of Research and Analysis (ORA) subsequently reduced the budgeted transfer amount to \$69 million. This revised amount was not reflected in the agency's per-

formance measures for FY 2001. The FY 2002 transfer amount, as submitted by the DCLB during the FY 2002 budget process was \$69 million. As part of their review of the FY 2002 revenue estimates the ORA increased the budgeted transfer amount to \$70 million, which is the FY 2002 approved budget transfer amount. For FY 2003, the DCLB estimates the transfer amount to be \$68.6 million. As part of their review of FY 2003 revenue estimates, the ORA increased the budgeted transfer amount to \$72.9 million.

#### Measure 1.3: Amount of commissions paid to agents (millions of dollars)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	13.2	12.5	14.4	15.2	16.6
Actual	12.3	11.6	-	-	-

#### Measure 1.3: Amount paid out for lottery prizes (millions of dollars)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	123.8	113	117	117.5	121.9
Actual	115.5	105.6	-	-	-

#### Measure 1.4: Number of agent newsletters published

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	1	4	4	4	4
Actual	1	4	-	-	-

# D.C. Sports and Entertainment Commission

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$9,626,650	\$15,509,755	61.1

The mission of the D.C. Sports and Entertainment Commission is to improve the quality of life and enhance economic development in the District by operating RFK Stadium, promoting the District as a venue for sports and entertainment activities, and supporting youth recreational activities. The commission performs these functions and carries out its mission on a self-supporting basis.

An 11-member board of directors, composed of District-based professional, business, community, labor, and government leaders, directs the commission's efforts to enhance the District's economic development efforts through sports and entertainment activities. The agency plans to fulfill its mission by achieving the following strategic goals:

- Increase the number of events held at RFK Stadium and the D.C. Armory by creating and marketing new events to attract additional event promoters and producers.
- Generate additional revenues by identifying new revenue streams and reducing administrative and event functions cost through

improved management.

- Control the associated event-related expenses and invest in overhead items only to the extent that the commission will remain profitable.
- Refurbish facilities and parking lots to attract additional consumers and event planners.
- Develop a more comprehensive and focused outreach strategy to provide monetary contributions under a community outreach grant initiative.

## Did you know...

Event days in FY 2001	184
Community outreach contribution in FY 2001	\$182,000

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## Where the Money Comes From

Table SC0-1 shows the source(s) of funding for the D.C. Sports and Entertainment Commission.

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Table SC0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	2,851	3,330	9,627	15,510	5,883
<b>Gross Funds</b>	<b>2,851</b>	<b>3,330</b>	<b>9,627</b>	<b>15,510</b>	<b>5,883</b>

## How the Money is Allocated

Table SC0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

---

Table SC0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	1,195	1,574	1,558	2,717	1,159
Regular Pay - Other	986	850	1,236	0	-1,236
Additional Gross Pay	282	433	233	302	69
Fringe Benefits - Curr Personnel	389	473	454	504	50
<i>Personal Services</i>	<i>2,851</i>	<i>3,330</i>	<i>3,480</i>	<i>3,522</i>	<i>42</i>
Supplies and Materials	0	0	54	463	409
Energy, Comm. and Bldg Rentals	0	0	365	783	418
Telephone, Telegraph, Telegram, Etc	0	0	56	109	53
Rentals - Land and Structures	0	0	0	415	415
Janitorial Services	0	0	0	129	129
Other Services and Charges	0	0	871	1,636	765
Contractual Services - Other	0	0	0	4,982	4,982
Subsidies and Transfers	0	0	2,020	200	-1,820
Land and Buildings	0	0	1,462	2,075	613
Equipment & Equipment Rental	0	0	1,319	1,195	-123
<i>Nonpersonal Services</i>	<i>0</i>	<i>0</i>	<i>6,146</i>	<i>11,987</i>	<i>5,841</i>
<b>Total Proposed Operating Budget</b>	<b>2,851</b>	<b>3,330</b>	<b>9,627</b>	<b>15,510</b>	<b>5,883</b>

## Other Funds

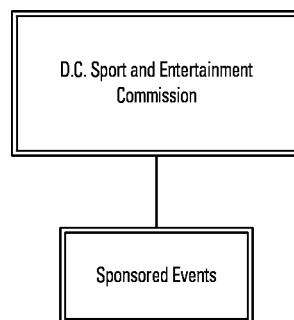
The proposed Other budget is \$15,509,755, an increase of \$5,883,105 or 61.1 percent over the FY 2002 approved budget of \$9,626,650 for increased contractual cost associated with additional event staffing and vendor costs related to

commission sponsored events. There are 67 FTEs supported by the proposed budget. It should be noted that the D.C. Sports and Entertainment Commission employees do not come under the District Merit Personnel system.

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Figure SC0-1

### D.C. Sports and Entertainment Commission



## Programs

The D.C. Sports and Entertainment Commission operates the following program:

### Events

Revenue and expenditures for the commission are highly dependent on the number of events that take place at its venues each year. Some of those events, including Major League Soccer, the Womens United Soccer Association, the Ringling Brothers and Barnum & Bailey Circus, the newly added Fright House Extreme Scream

Park Halloween extravaganza and National Grand Prix of Washington, continue from year to year. Others, such as concerts and touring shows, are not scheduled until months prior to the actual event. Because of these immutable aspects of the sports and entertainment industry, making accurate assumptions about specific activities and the associated revenues and expenses is difficult. Accordingly, the commission's actual expenditures may vary significantly from budgeted amounts because of changes in activity levels.

## Agency Goals and Performance Measures

### Goal 1: Increase the number of events held at the agency's facilities.

*Citywide Strategic Priority Area:* Promoting Economic Development

*Managers:* Tony Burnett, Stadium Manager;  
Ollie Harper, Jr., Director of Booking and Armory Manager

*Supervisor:* Robert Goldwater, President and Executive Director

#### Measure 1.1: Number of stadium and armory events

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	85	90	100	110	122
Actual	87	92	-	-	-

### Goal 2: Become more profitable.

*Citywide Strategic Priority Area:* Making Government Work

*Manager:* Scott Burrell, Chief Financial Officer

*Supervisor:* Robert Goldwater, President and Executive Director

#### Measure 2.1: Net income from stadium and armory events (thousands of dollars)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	434	500	500	500	500
Actual	-955	-1146	-	-	-

### Goal 3: Improve community outreach program.

*Citywide Strategic Priority Areas:* Strengthening Children, Youth, Families and Individuals; Building and Sustaining Healthy Neighborhoods

*Manager:* Scott Burrell, Chief Financial Officer

*Supervisor:* Robert Goldwater, President and Executive Director

#### Measure 3.1: Community outreach contribution (thousands of dollars)

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	150	200	225	250	250
Actual	355	182	-	-	-

---

# District of Columbia Retirement Board

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Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$13,387,875	\$13,387,875	0

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The mission of the District of Columbia Retirement Board is to invest, control and manage the assets of the Teachers' Retirement Fund and the Police Officers' and Fire Fighters' Retirement Fund.

The board is composed of 12 trustees: three appointed by the Mayor; three appointed by the District Council; and six elected by their participant groups. The board has six standing committees: Benefits, Investment, Legislative, Operations, Fiduciary, and Minority Participation. The board hires an executive director and support staff to assist in carrying out its mission.

The board plans to fulfill its mission by achieving the following strategic result goal:

- Achieve a long-term rate of return for the retirement funds investments in excess of the actuarially assumed rate of return.

## Did you know...

Plan rate of return in FY 2001	7.3%
District 10 year actual rate of return ending September 30, 2001	10%



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## Where the Money Comes From

Table DY0-1 shows the source(s) of funding for the Retirement Board.

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Table DY0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	6,058	6,748	13,388	13,388	0
<b>Gross Funds</b>	<b>6,058</b>	<b>6,748</b>	<b>13,388</b>	<b>13,388</b>	<b>0</b>

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## How the Money is Allocated

Tables DY0-2 and 3 show the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level) and FTEs by fund type.

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Table DY0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	576	804	1,060	1,047	-13
Regular Pay - Other	68	70	65	113	48
Additional Gross Pay	99	0	80	149	69
Fringe Benefits - Curr Personnel	90	108	171	184	13
<i>Personal Services</i>	<i>833</i>	<i>981</i>	<i>1,376</i>	<i>1,493</i>	<i>117</i>
Supplies And Materials	10	74	138	141	3
Telephone, Telegraph, Telegram, Etc	15	8	31	32	1
Rentals - Land And Structures	256	201	230	245	15
Other Services And Charges	4,934	5,460	11,566	11,425	-140
Subsidies And Transfers	0	0	0	0	0
Equipment & Equipment Rental	10	24	47	52	5
<i>Nonpersonal Services</i>	<i>5,225</i>	<i>5,767</i>	<i>12,012</i>	<i>11,895</i>	<i>-117</i>
<b>Total Proposed Operating Budget</b>	<b>6,058</b>	<b>6,748</b>	<b>13,388</b>	<b>13,388</b>	<b>0</b>

Table DY0-3

**FY 2003 Full-Time Equivalent Employment Levels**

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Other	9.25	10.75	14	14	0.00
<b>Total FTEs</b>	<b>9.25</b>	<b>10.75</b>	<b>14</b>	<b>14</b>	<b>0.00</b>

**Other Funds**

The proposed Other funds overall budget is \$13,387,875, which represents no change from the FY 2002 approved budget. From FY 2002 to FY 2003 there was a net shift of \$116,587 from non-personal to personal services to fund pay raises, fully fund board member compensation and for fringe benefits. There are 14 FTEs funded, which represents no change from FY 2002.

Significant changes are:

- A net increase of \$34,500 in salaries for an increase in budgeted board member compensation per statutory requirements and to align the personal services budget with authorized positions.
- An increase of \$69,489 in additional gross pay to support pay raises based on performance.
- An increase of \$12,598 in fringe benefits.
- An increase of \$7,880 for supplies and equipment.
- An increase of \$15,857 in fixed costs, primarily attributable to rent.
- A decrease of \$140,324 in other services, which the agency attributes to a previous fiscal year purchase of a fiduciary liability insurance policy that covers several years. The majority of the expenses in this object class represent the management fees for the pension plans, and vary depending on the value of the funds and investment actions.

**Programs**

The board fulfills its mission through two primary activities:

- **Fund Asset Management** provides custody and investment of employee retirement funds as well as oversight of contributions

and all necessary reporting and disclosures.

- **Retirement System Policy Development and Review** provides organization and operation of the Board as well as recommendation for certain new internal policies and procedures.

**Agency Goals and Performance Measures****Goal 1: Achieve long-term rate of return in excess of the actuarially assumed rate of return.**

*Citywide Strategic Priority Area:* Making

Government Work

*Manager:* Sheila Morgan-Johnson, Chief

Investment Officer

*Supervisor:* Jorge Morales, Executive Director

**Measure 1.1: Performance of the actuarial rate versus the District's 10 year actual rate of return percentage**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	7.25	7.25	7.25	7.25	7.25
Actual	13.5	10	-	-	-

**Measure 1.2: Performance of the customized annual benchmark versus the District's actual rate of return percentage**

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	13.2	-15.8	8.9	7.25	7.25
Actual	14.2	-11.7	-	-	-

Note: The D.C. Retirement Board reports the customized annual benchmark for FY 2001 (FY 01 target) was adjusted from 8.3 to -15.8. The fiscal year target for this measure is set at the end of the fiscal year, based on the performance of the customized annual benchmark. The figure of 8.3% was based on beginning of the year projections from the Board's consultants.



# Washington Convention Center Authority

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$57,277,500	\$78,700,252	37.4

The mission of the Washington Convention Center Authority (WCCA) is to expand the tax revenue base of the District by promoting and hosting large national and international conventions and trade shows that attract hundreds of thousands of visitors and provide expanded opportunities for District residents and businesses.

The District Council enacted the Washington Convention Authority Act, transferring operational oversight of the convention center to the Washington Convention Center Authority Board of Directors on August 2, 1994. The agency plans to fulfill its mission by achieving the following strategic goals:

- Expand the tax base by attracting out-of-town visitors to the District of Columbia.
- Provide space for national and international, public and local events and exhibits.
- Operate the existing center for six months, while opening and operating the new state-of-the-art convention center for 10 months.

## Did you know...

Events hosted in FY 2001	160
Delegates and exhibitors in FY 2001	936,000
Convention center occupancy rate in FY 2001	82 percent
Amount of exhibition and meeting space in FY 2001	425,000 sq. ft.

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## Where the Money Comes From

Table ES0-1 shows the source(s) of funding for the Washington Convention Center Authority.

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Table ES0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	20,891	24,874	57,278	78,700	21,423
<b>Gross Funds</b>	<b>20,891</b>	<b>24,874</b>	<b>57,278</b>	<b>78,700</b>	<b>21,423</b>

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## How the Money is Allocated

Table ES0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table ES0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	10,058	10,919	9,535	12,668	3,132
Regular Pay - Other	0	0	1,476	201	-1,275
Additional Gross Pay	0	0	553	449	-104
Fringe Benefits - Curr Personnel	0	0	2,407	5,478	3,072
<i>Personal Services</i>	<i>10,058</i>	<i>10,919</i>	<i>13,971</i>	<i>18,796</i>	<i>4,824</i>
Supplies And Materials	541	398	534	873	339
Energy, Comm. And Bldg Rentals	1,937	1,924	2,831	6,849	4,018
Other Services And Charges	8,354	11,352	10,891	12,013	1,122
Contractual Services - Other	0	0	1,657	1,866	209
Equipment & Equipment Rental	0	280	1,442	2,127	685
Debt Service	0	0	25,951	36,176	10,225
<i>Nonpersonal Services</i>	<i>10,833</i>	<i>13,954</i>	<i>43,306</i>	<i>59,905</i>	<i>16,598</i>
<b>Total Proposed Operating Budget</b>	<b>20,891</b>	<b>24,874</b>	<b>57,278</b>	<b>78,700</b>	<b>21,423</b>

## Other Funds

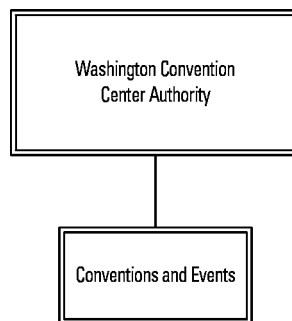
The proposed Other revenue expenditure budget is \$78,700,252, an increase of \$21,422,752, or 37.4 percent, over the FY 2002 approved budget of \$57,277,500. The increase is primarily for an increase in debt service as a result of repayment of principal and interest; a projected increase in payment to the Marketing Fund, as a result of increased dedicated tax projections; and the costs of operating two convention centers during FY 2003. There are no FTEs supported through the District's personnel system for this agency.

Significant changes are:

- An increase of \$10,225,488 in bond debt service requirements for the new convention center.
- An increase of \$4,824,302 in personal services to support staffing requirements and continued operational costs.
- An increase of \$6,372,962 in nonpersonal services for supplies, utilities, contractual services and equipment.

Figure ES0-1

### Washington Convention Center Authority



## Programs

### Events and Operations

WCCA is an independent corporate body consisting of nine directors appointed by the Mayor with the consent of the Council. The authority has seven public board members: one from the hospitality industry, one from labor, with the remaining five having expertise in finance, economic development, tourism and construction. In addition, the District's Chief Financial Officer and Deputy Mayor for Economic Development serve as ex officio voting members of the board. In partnership with the local and regional tourism and hospitality industries, the WCCA provides space for public events and exhibits and provides world-class customer service to convention attendees and District visitors.

With the opening of the new convention center in March 2003, WCCA is expecting to create new jobs in the hospitality industry and

will be able to provide an additional 455,000 square feet for exhibition and meeting space.

## Agency Goals and Performance Measures

**Goal 1: Maintain or exceed bookings and building revenue while supervising the construction of a new convention center.**

*Citywide Strategic Priority Area:* Promoting Economic Development

*Manager:* Tracy S. Harris, CFO

*Supervisor:* Lewis S. Dawley, III, General Manager

### Measure 1.1: Number of events hosted

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	100	65	100	125	150
Actual	116	160	-	-	-

**Measure 1.2: Number of delegates and exhibitors (thousands)**

	2000	2001	Fiscal Year 2002	2003	2004
Target	700	700	800	900	1,000
Actual	936	936	-	-	-

**Measure 1.3: Percentage of convention center occupancy rate**

	2000	2001	Fiscal Year 2002	2003	2004
Target	90	82	75	80	85
Actual	80	82	-	-	-

# Housing Finance Agency

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$4,710,634	\$5,797,461	23.1

Note: Agency is not a part of D.C. Appropriation

The mission of the Housing Finance Agency (HFA) is to stimulate and expand homeownership and rental housing opportunities for low and moderate-income families in the District of Columbia.

The Housing Finance Agency was established in 1979 as a corporate body with a legal existence separate from the government of the District of Columbia. The HFA issues tax-exempt mortgage revenue bonds to lower the cost of financing single-family housing and the costs of acquiring, constructing, and rehabilitating rental housing. In addition, the HFA issues taxable bonds and 4 percent low income housing tax credits.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Solidify the HFA's investment niche by working closely and cooperatively with District residents, stakeholders, the Mayor, D.C. Council, and government agencies to determine how the HFA can most effectively use its resources to help leverage other city funding for developing neighborhoods.

- Finance those development projects within HFA's investment niche to preserve, rehabilitate and produce affordable housing for at-risk and low to middle-income buyers.
- Ensure that HFA expands its creative financing products.
- Build greater capacity to assist housing partners by enhancing affordable housing resources.
- Continue to operate at peak efficiency and effectiveness by strengthening our administrative systems and further developing staff skills.
- In FY 2003, increase the number of rental units from 1,688 to 3,337 of which 1,014 will be new construction or substantial rehabilitation of vacant units.
- Finance the purchase of approximately 500 homes.

Affordability goals for housing units in FY 2003 will be as follows:

- 35 percent for individuals with incomes at 60 percent of the Area Median Income (AMI).
- 35 percent for persons with incomes at 50 percent of AMI.
- 20 percent for persons with incomes at 30 percent of AMI.
- 10 percent for persons at market rate.

## Did you know...

Mortgage loans to families in FY 2001	503
Multi-family tax-exempt bonds issued in FY 2001	\$84,000,000
Single family mortgage revenue bonds issued in FY 2001	\$61,300,000
Multi-family rental units construction/rehabilitation financed in FY 2001	1,688



## Where the Money Comes From

Table HF0-1 shows the source(s) of funding for the Housing Finance Agency.

Table HF0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	*Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	0	0	4,711	5,797	1,087
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>4,711</b>	<b>5,797</b>	<b>1,087</b>

\* Note: As of FY 2002, this agency is required to present its budget under the Budget Support Act. As a result, FY 2000 and FY 2001 data is not available.

## How the Money is Allocated

Table HF0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table HF0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	0	0	0	3,162	3,162
Regular Pay - Other	0	0	0	113	113
Additional Gross Pay	0	0	0	181	181
Fringe Benefits - Curr Personnel	0	0	0	591	591
<i>Personal Services</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,048</i>	<i>4,048</i>
Supplies and Materials	0	0	0	90	90
Energy, Comm. and Bldg Rentals	0	0	0	86	86
Telephone, Telegraph, Telegram, Etc	0	0	0	35	35
Janitorial Services	0	0	0	61	61
Security Services	0	0	0	36	36
Other Services and Charges	0	0	0	626	626
Contractual Services - Other	0	0	0	68	68
Subsidies and Transfers	0	0	4,711	0	-4,711
Equipment & Equipment Rental	0	0	0	360	360
Debt Service	0	0	0	386	386
<i>Nonpersonal Services</i>	<i>0</i>	<i>0</i>	<i>4,711</i>	<i>1,750</i>	<i>-2,961</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>4,711</b>	<b>5,797</b>	<b>1,087</b>

## Other Funds

The proposed operating budget for the Housing Finance Agency is \$5,797,461, an increase of \$1,086,827, or 23.1 percent, over the FY 2002 budget of \$4,710,634. The variance includes an increase of \$355,122 in personal services and \$731,705 in nonpersonal services.<sup>1</sup>

There are 52 FTEs supported by the proposed budget. Note: HFA employees do not

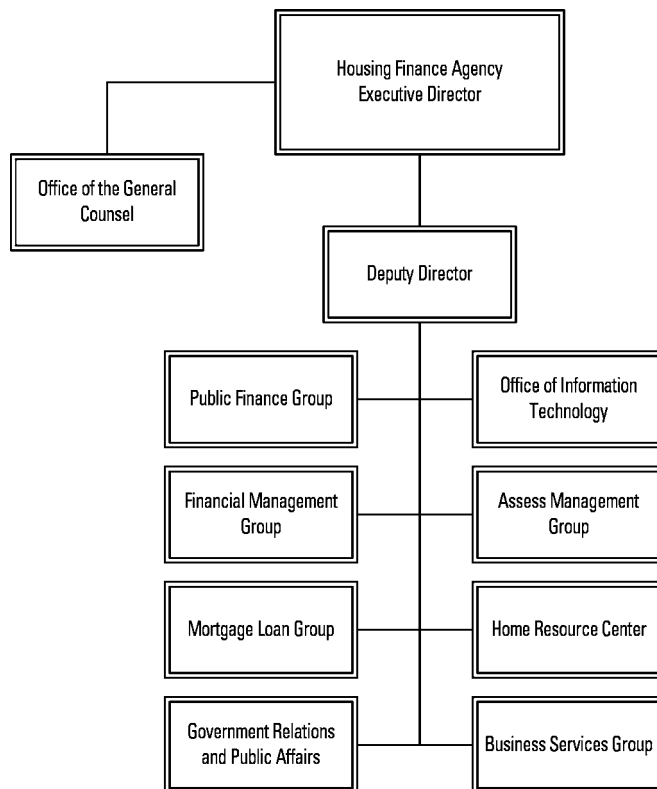
come under the District's Merit Personnel System and, therefore, are not reflected in the FTE authority.

Significant changes are:

- An increase of \$355,122 to fund six new FTEs to meet workload requirements associated with existing HFA programs.
- An increase of \$731,705 to fund a build-out and expansion of the agency's headquarters.

<sup>1</sup> In FY 2002, this agency's budget was considered a subsidy. For FY 2003, the HFA is being treated as a District government agency with its funding distributed between the various personal and nonpersonal services object classes rather than in Object Class 50, subsidies and transfers. Fiscal Year 2002 personal and nonpersonal services numbers have been isolated strictly for historical and comparative purposes.

Figure HF0-1  
**Housing Finance Agency**



## Programs

The Housing Finance Agency operates the following programs:

### Multi-Family Development

The HFA provides tax-exempt and taxable multi-family rental and co-op bond financing and tax credits. The HFA financed more than 1,600 units of affordable housing through loans, tax-exempt bonds and tax credit in FY 2001. The HFA issued \$84,000,000 in tax-exempt bonds for development projects totaling \$148,000,000. The HFA FY 2002 project pipeline now totals more than 25 projects, or approximately 3,495 units.

In FY 2001, the total amount of bonds issued increased approximately 16 percent. The HFA also issues taxable bonds to preserve its bond cap, and blending the low income tax credit to attract equity capital. The HFA currently has two funding rounds with deadlines of April 30, 2002, and October 30, 2002 to receive multifamily project applications.

In the first quarter of Fiscal Year 2002, the agency issued \$56,000,000 in tax-exempt and taxable bonds, and the HFA's Board of Directors has already issued preliminary approval for \$24,400,000 in affordable housing projects. The Housing Finance Agency hopes to surpass this number in FY 2003.

### Single Family Development

In FY 2003, the HFA expects to provide low cost mortgage funding to approximately 500 District homebuyers through its low rate and assisted rate Single Family Mortgage Program (which includes down-payment and closing cost assistance). Through its Home Resource Center, the HFA provides home-buying education and financial/credit counseling to approximately 3,000 people. Information is available on financing options, city and government home-buying assistance and incentives such as the \$5,000 tax credit, tax abatements, as well as other programs that help with closing costs.

## Agency Goals and Performance Measures

### Goal 1: Stimulate and expand homeownership and rental housing opportunities for low- and moderate-income families in Washington, D.C.

*Citywide Strategic Priority Area:* : Building and Sustaining Healthy Neighborhoods

*Manager:* Ken Stewart, Director of Public Finance

*Supervisor:* Milton J. Bailey, Executive Director

#### Measure 1.1: Performance of the customized annual benchmark versus the District's actual rate of return percentage

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	800	1,500	2,798	2,615	TBD
Actual	906	1,688	-	-	-

Note: For FY 2002, 1,014 of these rental units will be new construction or substantial rehabilitation of vacant units. FY 2004 target is under development.

#### Measure 1.2: Add new (new construction and vacant) units to the District's housing stock.

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	200	600	1,081	361	TBD
Actual	208	680	-	-	-

Note: FY 2004 target is under development.

#### Measure 1.3: Percentage of multifamily units occupied by District residents whose incomes are 50% of the AMI.

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	50%	55%	60%	60%	TBD
Actual	52%	60%	-	-	-

Note: FY 2004 target is under development.

#### Measure 1.4: Number of single-family and individual home purchases financed.

	Fiscal Year				
	2000	2001	2002	2003	2004
Target	475	500	500	550	TBD
Actual	500	504	-	-	-

Note: FY 2004 target is under development.

# National Capital Revitalization Corporation

Description	FY 2002 Approved	FY 2003 Proposed	% Change
Operating Budget	\$2,672,958	\$6,745,021	152.3

The mission of the National Capital Revitalization Corporation (NCRC) is to spur economic development throughout the District, primarily in under-served neighborhoods, through real estate development and business development, ensuring that activities benefit current and new residents and businesses including Local, Small and Disadvantaged Enterprises (LSDBEs).

NCRC also has a subsidiary, Redevelopment Land Agency Revitalization Corporation.

The NCRC plans to fulfill its mission by achieving the following strategic result goals:

- Achieve self sufficiency.
- Implement major projects that have a broad impact on the District communities.
- Focus on redevelopment efforts in under-served neighborhoods.
- Become a Center of Excellence.
- Maintain a commitment to diversity.

## Did you know...

Committed Fannie Mae investments for NCRC projects over the next several years	\$75,000,000
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Website	ncrcdc.com
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NCRC has a commitment to diversity... Of 14 employees, 11 (79%) are ethnic minorities and 7 (50%), are women. Of NCRC's 3 senior staff members, 2 are ethnic minorities and one is a woman (as of March 2002).

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## Where the Money Comes From

Table NC0-1 shows the various source(s) of funding for the National Capital Revitalization Corporation.

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Table NC0-1

### FY 2003 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	*Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change From FY 2002
Other	0	0	2,673	6,745	4,072
<b>Gross Funds</b>	<b>0</b>	<b>0</b>	<b>2,673</b>	<b>6,745</b>	<b>4,072</b>

\* The requirement for NCRC to submit an annual budget to the Council began in FY 2002 (NCRC Act of 2001, Title XII of BSA).

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## How the Money is Allocated

Table NC0-2 shows the FY 2003 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

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Table NC0-2

### FY 2003 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2000	Actual FY 2001	Approved FY 2002	Proposed FY 2003	Change from FY 2002
Regular Pay - Cont Full Time	0	0	1,620	2,580	960
Fringe Benefits - Curr Personnel	0	0	286	702	416
<i>Personal Services</i>	<i>0</i>	<i>0</i>	<i>1,906</i>	<i>3,281</i>	<i>1,375</i>
Supplies and Materials	0	0	7	35	27
Energy, Comm. And Bldg Rentals	0	0	221	303	81
Other Services And Charges	0	0	538	1,405	867
Subsidies And Transfers	0	0	0	1,722	1,722
<i>Nonpersonal Services</i>	<i>0</i>	<i>0</i>	<i>767</i>	<i>3,464</i>	<i>2,697</i>
<b>Total Proposed Operating Budget</b>	<b>0</b>	<b>0</b>	<b>2,673</b>	<b>6,745</b>	<b>4,072</b>

## Funding

The National Capital Revitalization Corporation receives funding solely from Other sources. In FY 1999, Congress provided \$25 million in capitalized funding for the NCRC that remains available until expended. (Public Law 105-277, the District of Columbia FY 1999 Appropriations Act). Using this money to establish operations, NCRC has the authority to raise funds from other sources, including capital funds through the sale of bonds, contributions, and earned fees from financing and service programs.

In January 2002, the assets of the Redevelopment Land Agency (RLA) were transferred from the Department of Housing and Community Development to the NCRC for management as a subsidy. The RLA is charged with the management and disposition of a portfolio of properties for the District of Columbia. Consequently, the DHCD will be providing funding associated with the RLA to NCRC to manage the program.

## Other Funds

The proposed Other budget for the NCRC for FY 2003 is \$6,745,021, an increase of \$4,072,063, or 152.3 percent over the approved FY 2002 budget of \$2,672,958. This amount includes increases of \$1,375,296 in personal services and \$2,696,767 in nonpersonal services.

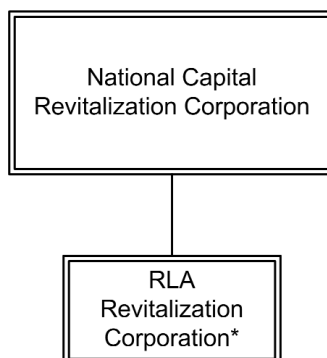
There are 17 FTEs supported by Other funds. NCRL employees do not come under the District's merit personnel system, and therefore are not reflected in the FTE authority.

Significant changes over the FY 2002 approved budget are:

- An increase of \$320,956 in personal services comprised of a \$127,863, in salaries and \$193,093 in fringe benefits. This increase will support four new FTEs in FY 2003 in order to address increased workloads.
- An increase of \$1,200,000 in subsidies and transfers associated with the Redevelopment Land Agency transfer of funds from the Department of Housing and Community Development, as per the Mayor's Omnibus Housing Act of 2001.
- A net increase of \$47,205 for increased rent, utilities, supplies and other administrative needs as estimated by the NCRC.
- An increase of \$666,881 for other services and charges associated with increased operating costs in FY 2003 for expanded agency responsibilities and new FTEs.
- An increase of \$1,837,021 comprised of an increase of \$1,054,340 in personal services and \$782,681 in nonpersonal services, to support increased costs because of acquisition of the Redevelopment Land Agency.

Figure NC0-1

### National Capital Revitalization Corporation



\*NCRC assumed the assets and certain liabilities of the Redevelopment Land Agency (RLA).

## Programs

NCRC's programs include real estate development, business development, business finance, and employment opportunities. NCRC's primary development areas include:

- Mt. Vernon Triangle
- Columbia Heights
- East of the Anacostia River
- Georgia Avenue / Shaw
- New York Avenue Corridor
- U Street Corridor
- Skyland Shopping Center

On July 15, 2001, the powers and functions of the Board of Directors of the District's Redevelopment Land Agency were transferred to NCRC.

The key initiatives of the National Capital Revitalization Corporation in FY 2003 are:

- Complete feasibility analysis for several real estate development projects.
- Complete due diligence and commence implementation of such projects as Georgia Avenue restaurant, Howard Town Center, Howard/Shaw Cultural Center, Capper-Carrollsbury HOPE VI, Mt. Vernon mixed-use, H Street, SW Waterfront, Buzzard Point, and Skyland.
- Pursue evaluation of at least two long-range projects, among them McMillan Reservoir, Buzzard Point, Poplar Point and/or St. Elizabeths Hospital. "Pursue evaluation" means to assume a key role in spurring the planning and pre-development of complex, long-range projects, identifying NCRC as a lead player and, generally, moving the overall project forward.
- Implement plan for investing in local banks.
- Develop and begin implementing the Business Development/Business Finance Plan.
- Complete long range NCRC financial plan for self-sufficiency.

## Agency Goals and Performance Measures

**Goal 1: Spur economic development throughout the District, primarily in underserved neighborhoods, through real estate development and business development.**

*Citywide Strategic Priority Area:* Promoting Economic Development; Building and Sustaining Healthy Neighborhoods

*Manager:* Lloyd Smith, Acting President and Chief Executive Officer

*Oversight:* J. Roderick Heller, Chairman of the Board of Directors

**Measure 1.1: Identify real estate development opportunities and complete feasibility analyses.**

	2000	2001	Fiscal Year 2002	2003	2004
Target	N/A	N/A	2	3	3
Actual	N/A	N/A	-	-	-

Note: The FY 2004 estimates are preliminary pending the opening of the new convention center in March 2003.